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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service

ASCS Commodity Fact Sheet
1977 Rice

April 1977

RICE

Summary of 1977 Program and Related Information

Legislative
Authority:

The Rice Production Act of 1975, Public Law 94-214, approved February 16, 1976, and applicable to the 1976 and 1977 rice crop years. This Act amended sections relative to rice in the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, that included those concerned with allotments; marketing quotas and penalties; producer referendum and price support methods. The Act provides for a cropland set-aside program (and acreage diversion) if deemed necessary by the Secretary. The Act established a limit on the amount of payments, if any, a person could receive annually under the program. The Act initiated an established or "target price," for the 1976 and 1977 crops, with deficiency payments if required. Provision is made for payments if producers are prevented from planting any portion of the farm acreage allotment because of disaster conditions, or if there is crop loss because of disaster conditions. Marketing quotas are suspended. Program participation is voluntary.

Program
Provisions:

The program established a national acreage allotment, as required under the Act, of 1,800,000 acres for the 1976 and 1977 crop years. The national acreage allotment shall be apportioned by the Secretary to farms, and in producer States and administrative areas, to producers on the basis of rice allotments established for the 1975 crop.

The program is carried out through loans, purchases and, as required, deficiency and disaster payments to cooperators in the program.

A cooperator is a person who produces rice on a farm for which a farm acreage allotment has been established or to which a producer acreage allotment has been allocated and, if a set-aside is in effect, who has set aside any acreage required.

Substitution of specified crops for program compliance is permitted, and such other crops as the Secretary may deem appropriate, subject to terms and conditions the Secretary determines will not impair the effective operations of the rice program.

Sale and lease of allotments are permitted under prescribed terms and conditions. Allotment transfer may be authorized by the Secretary under prescribed terms and conditions.

The total payments a person may receive during a crop year under the rice program shall not exceed \$55,000. This does not include loans or purchases.

Allotments: The national acreage allotment is 1,800,000 acres. Marketing quotas and penalties are suspended for the 1977 rice crop year. Rice allotments do not represent a limit on the rice acreage that may be planted. The allotment will be used only to compute payments in the event target price or disaster payments are due, and serve as a basis for determining loan eligibility. Although loan and payment eligibility will be limited to the allotment times the farm yield, an allotment holder may plant in excess of the allotment and still maintain his eligibility. A producer with no rice allotment may produce and market rice, but will not be eligible for loans, target price payments or disaster payments. A State reserve of not more than 1 percent of the State allotment may be withheld for new growers, adjustments and corrections.

Failure to plant at least 90 percent of the allotment to rice or a crop designated by the Secretary as an eligible substitute will result in loss of allotment not to exceed 20 percent in any one year. After two consecutive years of zero planting, the allotment will be removed.

Farmers prevented from planting because of natural disaster, or conditions beyond their control, will not lose their allotments.

For allotment preservation purposes for both the 1976 and 1977 crops, any annual non-conserving crop (excluding marketing quota crops), conserving crops used for hay or silage and approved vegetative cover on cropland can be credited as an acreage of rice for allotment preservation. However, on a completely idle farm, the producer must agree to forfeit program payments to protect allotment history. Should an allotment holder choose to plant any portion of his allotment to a substitute crop, he would still be eligible for any target price payments made, based on 100 percent of his allotment.

Any part of the farm rice allotment on which rice will not be planted may be voluntarily surrendered to the county committee which may reapportion the surrendered allotment to other farms in the county, and the farm rice allotment is protected.

An allotment may be leased to another person in the State (administrative area in Louisiana) who will be actively engaged in producing rice. The allotment may also be sold. The per-acre leasing or selling price is determined by the allotment holder and the lessee or buyer.

Established
Yield:

The 1977 yield established for a farm will be an average of the actual harvested yield per acre for the 1974, 1975 and 1976 crops of rice. If the yield in any one of the 3 years were abnormally low because of natural disaster, the yield for that year may be adjusted.

Set-Aside
Requirement:

None.

Loans and
Purchases:

The loan rate to cooperators for the 1977 rice program will be \$6.19 per hundredweight (cwt), adjusted to reflect changes in the index of prices paid by farmers for production items, interest, taxes and wages between July 31, 1976 and July 31, 1977. Any increase may be further adjusted for changes in yields.

Only producers with rice allotments are eligible for rice loans. Eligible producers can obtain loans on the amount of rice equal to the allotment multiplied by the established farm yield.

Loans are available through ASC county offices from harvest time through March 31, 1978. Loans mature on demand, but not later than April 30, 1978.

Loan rates to producers are based on whole kernel rice loan rates for long, medium and short grain rice and on a broken rice loan rate. These rates are further adjusted for quality premiums and discounts and for location differentials.

Rice may be purchased by CCC from eligible producers at the loan rate, adjusted for premiums and discounts for quality, and other provisions under the program.

Established
or
"Target
Price":

The target price for the 1977 crop of rice is \$8.25 per hundred-weight (cwt), adjusted for changes in the index of prices paid by farmers for production items, interest, taxes and wage rates between July 31, 1976 and July 31, 1977. Any increase may be further adjusted for changes in yields.

Target price payments will be made if the national average market price received by farmers during the first 5 months of the marketing year (August through December) is less than the target price. The payment rate will be computed by subtracting from the target price the higher of (1) the average price received by farmers, or (2) the loan level. This hundredweight rate will be multiplied by the farm allotment times the farm's established yield.

"Disaster"
Payments:

The disaster payment rate will be one-third of the target price.

Prevented planting: If because of a natural disaster, a producer is prevented from planting an acreage of rice (or other non-conserving crop) at least equal to the farm's rice allotment, he may be eligible for a payment at the disaster payment rate. The total payment is figured by multiplying the amount of allotted acreage that could not be planted, by the established farm yield, then multiplying this figure by the disaster payment rate.

Abnormally low yield: If because of a natural disaster, the total actual production on all acreage planted to rice is less than two-thirds of the allotment times the established yield, the producer may be eligible for a disaster payment. The payment will be made on the difference between total production and 100 percent of the established yield times allotment.

Payment
Limitations:

The total amount of payments which a person can receive during a crop year under the rice program shall not exceed \$55,000. This limitation does not apply to loans or purchases under the program.

CCC
Sales Policy:

The CCC sales policy for 1977 crop rice had not been determined as of April 20, 1977.

RICE

Crop Year	Production (million cwt.)	National Average Support Price (per cwt.)	Average Price to Farmers (per cwt.)	Farm Value (Million dollars)	Government Payments (Million dollars)	2/
1941	23.1	\$2.04	\$3.01	\$ 69.6	\$3.3	Conservation
1942	29.1	2.33	3.61	105.1	.5	& Parity
1943	29.3	1/	3.96	116.0	.6	
1944	31.0	1/	3.93	121.6		
1945	30.7	2.82	3.98	122.1		
1946	32.5	1/	5.00	162.6		
1947	35.2	3.76	5.97	210.3		
1948	38.3	4.08	4.88	186.7		
1949	40.8	3.96	4.10	167.2		
1950	38.8	4.56	5.09	197.4		
1951	46.1	5.00	4.82	222.3		
1952	48.2	5.04	5.87	282.9		
1953	52.8	4.84	5.19	274.1		
1954	64.2	4.92	4.57	293.0		
1955	55.9	4.66	4.81	268.5		
1956	49.5	4.57	4.86	240.3		1.3 Acr. Res.
1957	42.9	4.72	5.11	219.5		14.9 Soil Bank
1958	44.8	4.42	4.68	209.4		12.0
1959	53.6	4.38	4.59	246.3		
1960	54.6	4.48	4.55	248.4		
1961	54.2	4.71	5.14	278.6		
1962	66.0	4.71	5.04	332.6		
1963	70.3	4.71	5.01	352.2		
1964	73.2	4.71	4.90	358.6		
1965	76.3	4.50	4.93	376.2		
1966	85.0	4.50	4.95	421.0		
1967	89.4	4.55	4.97	444.0		
1968	104.1	4.60	5.00	520.5		
1969	90.9	4.72	4.92	447.2		
1970	83.8	4.86	5.17	433.2		
1971	85.8	5.07	5.34	458.2		
1972	85.4	5.27	6.73	574.9		
1973	92.8	6.07	13.80	1,280.0		
1974	112.4	7.54	11.20	1,261.4		
1975	128.0	8.52	8.34	1,067.7		
1976	117.0*	8.25a-6.19b	6.58 c	770.0*	135.0*	Deficiency

1/ Support was mandatory at 90 percent of parity, but since prices were well above support, loan rates were not announced.

2/ Conservation payments were made to rice producers amounting to \$9.6 million in 1935, \$2.6 million in 1936, \$2.8 million in 1937, and \$2.0 million in 1938, and conservation and parity payments amounting to \$3.3 million in 1939 and \$2.2 million in 1940.

a. Established target price, guaranteed on production from farm allotment times the farm's established yield.

b. Loan rate.

c. Preliminary season average price--national weighted average price received by farmers during the first five months of the marketing year was less than the established price. Thus, payments were made.

* Preliminary

